

**CALIFORNIA STUDENT AID COMMISSION**  
**P.O. Box 419029**  
**Rancho Cordova, CA 95741-9029**

**AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS**  
**REGARDING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION**  
**(Educ. Code §§ 30701-30709)**

**PROPOSED TEXT**

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Text to be deleted is displayed in ~~strikeout~~ type.

Article 14 Assumption Program of Loans for Education

~~§ 30701. Loan Programs Approved by the California Student Aid Commission.~~

~~The California Student Aid Commission approves for loan assumption any loan which falls into one of the following categories:~~

Section 30701. Definitions

“Academic year” means a period of time determined by the eligible institution.

“Designated loan programs” means loans that fall into any of the following categories:

~~(a) Loans to students made pursuant to the United States Code, Title 20, Chapter 28, Subchapter IV, which is incorporated into this section by reference~~ the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.);; and

~~(b)~~ the Federal Direct Loan Program (20 U.S.C. Sec. 1087 et seq.);

~~(b)~~ Privately funded educational loans to students issued through institutions of higher education for the purpose of defraying the costs associated with obtaining a baccalaureate degree or an initial California teaching credential; or

(d) any educational loan program approved by the Commission on a case-by-case basis but not including lines of credit, home equity loans, credit card debt, and other general consumer loans, business loans, personal loans, or mortgages;

“Eligible applicant” means:

(a) a student who:

(1) has completed at least 60 semester units or the equivalent;

- (2) has been admitted to or is enrolled in coursework required for a baccalaureate degree or initial teaching credential;
  - (3) has not completed all of the coursework necessary to obtain an initial teaching credential (preliminary/clear), unless the candidate has an initial teaching credential and is pursuing a specialist credential, required for teaching special education or reading and language arts;
  - (4) submits an application pursuant to Section 30702 and agrees to teach the first full year in an eligible area within 36 months of obtaining an initial teaching credential; and
  - (5) has received or is approved to receive, a loan under one or more of the designated loan programs; or
- (b) a credentialed teacher:
- (1) teaching in a public school ranked in the lowest two deciles on the Academic Performance Index;
  - (2) who possesses a clear multiple subject or single subject teaching credential or level II education specialist credential;
  - (3) who submits an application pursuant to Section 30702 and agrees to continue to teach in a public school ranked in the lowest two deciles; and
  - (4) who has received or is approved to receive, a loan under one or more of the designated loan programs; or
- (c) a district intern:
- (1) who has a baccalaureate degree;
  - (2) who has passed the CBEST;
  - (3) who has not completed all of the coursework necessary to obtain an initial teaching credential (preliminary/clear), unless the candidate has an initial teaching credential and is pursuing a specialist credential, required for teaching special education or reading and language arts;
  - (4) approved to participate in a Commission on Teacher Credentialing (CTC)-approved District Intern Program leading to a full teaching credential;
  - (5) who submits an application pursuant to Section 30702 and agrees to teach the first full year in an eligible area within 36 months of obtaining an initial teaching credential; and
  - (6) has received or is approved to receive, a loan under one or more of the designated loan programs;

“Eligible Institution” means a postsecondary institution that is determined by the Student Aid Commission to meet the following requirements:

- (a) The institution is eligible to participate in state and federal financial aid programs.
- (b) The institution maintains a program of professional preparation that has been approved by the Commission on Teacher Credentialing
- (c) The institution has a signed APLE Institutional Participation Agreement on file with the Commission.

“Eligible school” means:

- (a) a public elementary or secondary school located in California that meets any of the following criteria, as designated by the Superintendent of Public Instruction:

- (1) It serves a large population of pupils from low-income families
- (2) Is a school that has 20 percent or more teachers holding emergency-type permits including but not limited to, any of the following:
  - (A) Provisional internships.
  - (B) Short-term staff permits.
  - (C) Credential waivers.
  - (D) Substitute permits.
- (3) It is a school that is ranked in the lowest two deciles on the Academic Performance Index.
- (4) It serves a rural area.

(b) It is a nonpublic Special Education School that contracts with public school districts and is included on the California Department of Education's certified list of nonpublic schools and agencies

(c) state special school

"Employing school" means the California public school (K-12) that employs the program participant as recognized by the Superintendent of Public Instruction.

"Full-time" and "full-time basis" means full-time employment, as determined by the employing school which includes 175 days or its equivalent.

"Half-time basis" means half-time enrollment as determined by the eligible institution.

"Initial teaching credential" means a preliminary or clear multiple or single subject teaching credential unless the participant has agreed to provide teaching service in reading or special education. If the participant has agreed to provide teaching service in special education or reading, the initial teaching credential is a specialist credential in special education or in reading.

"Invalid agreement " means:

(a) An agreement held by a person not yet eligible to receive a full California Teaching Credential who has become ineligible to continue participation in the Assumption Program of Loans for Education, or

(b) An agreement held by a person eligible to receive a full California Teaching Credential who did not redeem that agreement within 36 months of the date when that person became eligible for that credential, unless this period was extended pursuant to section 30708.

"Loan Assumption Agreement" or "agreement" means the agreement between the participant and the Commission establishing the program terms and requirements as specified in attachment XXX.

"Other natural causes" means a disease, or physical or mental condition involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993.

“Outstanding academic ability” means academic standing consistent with or superior to the requirements established by the participating institution for satisfactory progress toward graduation or the award of the graduate or undergraduate degree.

“Part-time” and “part-time basis” means part-time employment, as determined by the employing school.

“Program” means the Assumption Program of Loans for Education established in Article 5 (commencing with section 69612 ) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code and as set forth in this Article.

“Program participant” means an individual who has signed a loan assumption agreement and received confirmation of program participation from the Commission.

“Satisfactory academic progress” means academic standing consistent with the requirements of the eligible institution for satisfactory progress toward the award of the graduate degree, undergraduate degree, or teacher credential program.

A "school year" means a period of time determined by the employing school which commences on July 1 and ends on June 30 of the following year.

“Serious illness” means an illness involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993.

“Special Education” includes the following credentials:

- (a) Speech-Language Pathology Services Credential in Language, Speech and Hearing or Language, Speech and Hearing and Audiology with a Special Class Authorization \*
- (b) Clinical or Rehabilitative Services Credential in Language, Speech, and Hearing with a Special Class Authorization \*
- (c) Education Specialist Instruction Credential
- (d) Adapted Physical Education Specialist Credential

\*These documents are service credentials for speech therapy and do not qualify unless the special class authorization is noted on the document.

"unused agreement" is an agreement allocated to a participating institution which that institution does not or cannot use.

Note: Authority cited: Section 69615, Education Code. Reference: Sections 69612.5, 69613(b)(4)(B), 69613.4, 69613.6 Education Code.

~~§ 30702. Applications by Individuals Who Agree to Participate in a Teacher Trainee Program.~~

Section 30702. Application to Participate in the Program

~~(a) Any person who agrees to participate in a teacher trainee program may send to any participating institution a written request for an application to participate in the Assumption Program of Loans for Education from any participating institution or the Commission's website.~~

~~(b) Each participating institution shall consider and respond to each request for an application submitted by a person who agrees to participate in a teacher trainee program.~~

~~(c) Each participating institution shall consider and respond to each application submitted by a person who agrees to participate in a teacher trainee program.~~

(a ) Applications to participate in the program from applicants pursuing an initial teacher credential shall be submitted by the eligible applicant to his or her eligible institution or district intern office. Applications to participate in the program from credentialed teachers shall be submitted by the eligible applicant to the Commission. The application shall be submitted to the Commission by the September 30<sup>th</sup> priority deadline and shall include the following information regarding the eligible applicant on a form provided by the Commission:

(1) Applicant's personal information, including:

(A) Last name, first name and middle initial;

(B) Social Security Number;

(C) Address and telephone number;

(D) Date of birth;

(E) E-mail address, if available;

(F) Student School identification number, if applicable;

(G) Undergraduate and graduate units completed;

(H) The credential that the applicant currently holds or expects to receive;

(I) The date that the applicant received or is expected to receive his or her credential;

(J) Marital Status;

(K) Age;

(L) Gender;

(M) Applicant's and spouse's adjusted gross income, if applicable

(N) Ethnicity; and

(O) Teaching area in which the applicant agrees to provide service.

(2) The applicant's representations that he or she:

- (A) is a United States citizen or eligible noncitizen;
- (B) does not owe a refund on any state or federal educational grant;
- (C) does not currently have a defaulted student loan;
- (D) has received or has been approved to receive an eligible educational loan;
- (E) understands the application must be submitted by the deadline established by the APLE Coordinator; and
- (F) will comply with all educational loan repayment obligations and continue to make scheduled payments on educational loan(s) until notified by my lender that the loan is paid in full .

(3) For applicants pursuing an initial teaching credential, statement that the applicant agrees to:

- (A) maintain satisfactory academic progress through receipt of the of the initial teaching credential; and
- (B) teach on a full-time basis for four consecutive school years or part-time for the equivalent of four full-time consecutive school years in a subject area that is designated as a current or projected shortage or at an eligible school,
- (C) complete the first full year of teaching within thirty-six (36) months after obtaining an initial teaching credential;

(4) For applicants in a district intern program, statement that the applicant agrees to:

- (A) continue in the district intern program until recommended for a preliminary or clear teaching credential;
- (B) teach on a full-time basis for four consecutive school years or part-time for the equivalent of four full-time consecutive school years in a subject area that is designated as a current or projected shortage or at an eligible school,
- (C) complete the first full year of teaching within thirty-six (36) months after obtaining an initial teaching credential;

(5) For applicants who are credentialed teachers, statement that the applicant agrees to:

- (A) continue teaching on a full-time basis for four consecutive school years or part-time for the equivalent of four full-time consecutive school years at a public school ranked in the lowest two deciles on the Academic Performance Index.

(6) The name of the lender, type of loan, loan identification number(s), and current balance(s) of a loan or loans the applicant has received, or has been approved to receive, under one or more of the designated loan programs.

(7) The application shall state that by signing, the applicant agrees that, if requested, the applicant will provide information or documentation to verify the accuracy of the information included in the application, and the applicant understands that failure to provide accurate and complete information as requested may result in disqualification

from the program and loss of program benefits. The application shall be dated and signed by the applicant under penalty of perjury under the laws of the State of California.

Note: Authority cited: Section 69615, Education Code. Reference: Sections 69613 and 69614(a), Education Code.

§ 30703. Allocation of Awards, Reallocation of Unused Awards, and Cancellation of Invalid Awards.

(a) Each eligible institution and district intern office shall receive at least one allocation, and the remainder shall be distributed to eligible institutions proportionate to the number of teaching candidates from each institution who completed the coursework required for a teaching credential based on the most recent data available from the Commission on Teacher Credentialing.

~~(a) In this section, an "unused warrant" is a warrant allocated to a participating institution which that institution does not or cannot use.~~

~~(b) In this section, an "invalid warrant" is:~~

~~(1) A warrant held by a person not yet eligible to receive a full California Teaching Credential who has become ineligible to continue participation in the Assumption Program of Loans for Education, or~~

~~(2) A warrant held by a person eligible to receive a full California Teaching Credential who did not redeem that warrant within 36 months of the date when that person became eligible for that credential.~~

~~(b) Each participating institution or District Intern Program which does not use all of its allocated warrants shall provide to the California Student Aid Commission:~~

(1) The number of students or district interns who competed for an award;

(2) The number of students or district interns who met the institution's selection criteria;

(3) The number of students or district interns who were selected as applicants;

(4) The number of additional warrants the institution or district intern program could use;

(5) The criteria the institution used in selecting applicants;

(6) The Grade Point Average (GPA) cutoff, if applicable;

(7) For participating Institutions, the type of teacher preparation programs the schools offers;

(8) Certification that the nominating official:

(A) has enclosed an application for each applicant;

(B) has verified that each applicant meets the program eligibility requirements;

(C) has verified the applicants' academic majors and credential objectives are compatible with their designated teaching subject areas;

(D) understands that the applications will undergo further review by the Commission and only students who meet all program requires will be permitted to participate in APLE; and

(D) For a Participating Institution, has not nominated an applicant who already holds an initial teaching credential or will complete the coursework necessary to obtain a preliminary credential before the fall term of the award year for which they are applying.

(9) a selection summary sheet that includes the names, Social Security Numbers, and teaching service area of applicants who have been selected to receive an award. number representing the total number of warrants which will be issued to applicants who agree to obtain a teaching credential in mathematics or science, and each participating institution which does use all of its allocated warrants shall provide to the California Student Aid Commission, in writing;

(10) a reallocation summary sheet that includes the name, Social Security Number, and teaching service area of applicants who are being nominated for reallocation. The nominees shall be listed in priority order.. First priority shall be given to applicants who agree to obtain a teaching credential in mathematics, science, or special education. Second priority shall be given to applicants who are recipients of federally subsidized loans or other need-based loans.

(11) Applications submitted with the Reallocation Summary sheet will be used to replace ineligible applications submitted through the initial allocation process. The reallocation summary sheet will also be used to make awards if additional awards are allocated to the institution.

~~(1) A number representing the total number of warrants which will be issued to applicants who agree to obtain a teaching credential in mathematics or science, and~~

~~(2) A number representing the number of additional warrants it could use, and, from among that number, the number which would be used for applicants who agree to obtain a teaching credential in mathematics or science, if additional warrants were~~



available.

(c) Having received the information provided by participating institutions, the California Student Aid Commission shall determine whether the total number of unused agreements is less than or equal to the total number of additional awards institutions could use if additional awards were available ~~required minimum number of applicants who agree to obtain a teaching credential in mathematics or science has been achieved, and,~~

(1) If the total number of unused agreements is greater than or equal to the total number of additional awards institutions could use if additional awards were available

~~If so, during the school year for which the awards warrants were allocated, the Commission will reallocate all unused awards after the September 30<sup>th</sup> priority deadline warrants to participating eligible institutions, giving to each institution a number of awards warrants requested which bears the same ratio to the total number of unused warrants as the number of warrants which that institution could use if additional warrants were available bears to the total number of warrants which all institutions could use if additional warrants were available, and~~

(2) If not,

~~(A) During the school year for which the warrants were allocated, reallocate unused warrants, up to the minimum required number of warrants for math and science applicants, to participating institutions which did use all their allocated warrants, giving to each institution a number of warrants to be issued only to math and science applicants which bears the same ratio to the total number of unused math and science warrants as the number of math and science warrants which that institution could use if additional warrants were available bears to the total number of math and science warrants which all institutions could use if additional warrants were available, and~~

If the total number of unused agreements is less than the total number of additional awards institutions could use if additional awards were available,

~~(B) During the school year for which the awards warrants were allocated, reallocate all remaining unused awards warrants to participating institutions, giving to each institution a number of warrants which bears the same ratio to the total number of unused non-math and science warrants as the number of non-math and science warrants which that institution could use if additional warrants were available bears to the total number of non-math and science warrants which all institutions use if additional warrants were available. The Commission will determine the total number of unused awards, additional awards requested from each eligible institution, and number of additional awards requested from all eligible institutions. The Commission will apply the following formula to each institution that requests additional awards to determine how many additional awards will be allocated:~~

(number of additional awards requested by the institution) / (the total additional awards requested by all institutions) x (the number of unused awards) = number of additional awards granted to an institution

If A = 100, B = 500, and C = 100

(100/500) x (100) = 20

In this example, the first 20 eligible applicants from the eligible institution's reallocation list would be given an award

~~(c)~~ All invalid ~~warrants~~ awards shall be cancelled. No invalid ~~warrant~~ awards shall be reallocated.

Note: Authority cited: Sections 69613(g), ~~69613.2(b)~~, 69613.55 (Stats. 1998, c. 330 (S.B. 1564).) and 69615, Education Code. Reference: Sections ~~69613, 69613.2, 69613.55~~ (Stats. 1998, c. 330 (S.B. 1564).) and 69614(a), and 69615 Education Code.

~~§ 30704. Commencement and End of School Year.~~

~~A "school year" commences on July 1 and ends on June 30 of the following year.~~

~~Note: Authority cited: Section 69615, Education Code. Reference: Sections 37200 and 69613.4, Education Code.~~

Section 30704. The APLE Institutional Participation Agreement, Nominations by an Eligible Institution or District Intern Office, and the Renewal Verification Report

(a) Each eligible institution, school district, and county office of education shall sign an Institutional Participation Agreement (IPA) with the Commission. The IPA shall include the following certifications:

(1) The Commission shall distribute student applications to participate in APLE to:

(A) postsecondary institutions eligible to participate in state and federal financial aid programs and having a program of professional preparation that has been approved by the Commission on teacher Credentialing;

(B) District Intern Programs that provide a program of professional teacher preparation that has been approved by the Commission on Teacher Credentialing;

(2) Each eligible institution and district intern program shall receive at least one allocation, and the remainder shall be distributed to eligible institutions or district intern programs proportionate to the number of teaching candidates from each institution who were fully credentialed based on the most recent data available.

(3) The eligible institution, school district, and county office of education shall distribute these APLE applications as follows:

(A) Applications shall be provided to applicants who agree to teach for at least four consecutive academic years, or on a part-time basis for the equivalent of four full-time academic years, after obtaining a teaching credential in a public elementary or secondary school in this state, in subject areas that are designated as current or projected shortage areas by the Superintendent of Public Instruction;

(B) Applications shall be provided to applicants who agree to obtain teaching credential and to provide classroom instruction in schools that serve large populations of students from low-income families, schools in a rural area, schools with a high percentage of teachers holding emergency-type permits, or schools ranked in the lowest two deciles on the Academic Performance Index;

(4) The eligible institution, school district, or county office of education shall agree to:

(A) Administer the Loan assumption program according to all applicable published rules, regulations, and guidelines;

(B) Make special efforts to notify students regarding the availability of the program, particularly those students who are members of the populations underrepresented in the teaching profession;

(C) To the extent feasible, coordinate the loan assumption program with other existing programs designed to recruit or encourage students to enter the teaching profession;

(D) Provide financial aid information, including student loan information, on the APLE applicants and program participants;

(E) Provide other information necessary to establish eligibility for APLE applicants and program participants;

(F) Report on the selection criteria and selection procedures used to allocate applications for APLE program applicants;

(G) Verify that each APLE applicant and program participant has maintained satisfactory academic progress and half-time enrollment; and

(H) submit applications

(b) An eligible institution may nominate eligible applicants who have submitted applications to participate in the program meeting the requirements of Section 30702 by submitting to the Commission by the September 30<sup>th</sup> priority deadline all of the following information regarding each eligible applicant:

(1) the applicant's complete application;

(2) the participating institution's certifications of the following information:

(A) the applicant's expected standing for the academic year

1. college junior;

2. senior;

3. continuing undergraduate;

4. graduate-pursuing teacher certification;

(B) the type of program the applicant will be enrolled in, if applicable:

1. an academic program leading to a baccalaureate degree

2. an academic program of professional teacher preparation

3. a district intern program

4. an internship program which requires a CTC Internship Credential to teach;

(3). The date the applicant is expected to receive his or her initial teaching credential or special education credential

(4) the participating institution's determination that the applicant has demonstrated outstanding ability on the basis of criteria that may include any of the following:

(A) grade point average;

(B) faculty evaluation;

(C) test scores;

(D) interviews;

(E) faculty evaluations; and

(F) other recommendations.

(c) A district intern office may nominate eligible applicants who have submitted applications to participate in the program meeting the requirements of Section 30702 by submitting to the Commission by the September 30<sup>th</sup> priority deadline all of the following information regarding each eligible applicant:

(1) the applicant's complete application,

(2) the district intern program the applicant will be participating in during the academic year:

(A) the school name; and

(B) the district intern program

(3) Date the applicant is expected to complete training for:

(A) a preliminary or clear teaching credential; or

(B) a specialist credential in Reading and Language Arts or Education Specialist Instruction.

(4) the district intern office's determination that the applicant has demonstrated outstanding ability on the basis of criteria that may include any of the following:

(A) grade point average;

(B) faculty evaluation;

(C) test scores;

(D) interviews;

(E) faculty evaluations; and

(F) other recommendations.

(d) Each nomination, including the certifications required by this section, submitted by a participating institution or district intern office shall be certified by the APLE coordinator or designee under penalty of perjury under the laws of the State of California.

(e) Each year participating institutions shall submit renewal verification reports to the Commission. The Commission will use this information to determine if the participant has retained program eligibility. The report shall included the following information:

(1) Verification if the participant maintained a minimum of half-time enrollment;

(2) Verification if the participant maintained Satisfactory Academic Progress;

(3) The participants current educational level;

(4) Verification if the participant is enrolled for the next school year;

(5) If the participant was recommended to CTC for a preliminary or clear credential;

(6) The date the participant was recommended, if applicable; and

(7) Verification that the participant does not owe a refund on any state or federal educational grant or has not defaulted on any student loan.

(f) Each year district intern offices shall submit renewal verification reports to the Commission. The Commission will use this information to determine if the participant has retained program eligibility. The report shall include the following information:

- (1) If the participant maintained satisfactory progress;
- (2) If the participant was recommended, if applicable, and
- (3) Verification that the participant does not owe a refund on any state or federal educational grant or has not defaulted on any student loan.

Note:

Authority cited: Section 69615, Education Code. Reference: Sections 69613, 69614, 69615.4 Education Code.

Section 30705. Award Process

(a) The Commission shall process applications and select program participants from among the eligible applicants whose applications are:

- (1) complete and received by the Commission by the September 30th priority deadline date for each award year; and
- (2) who are determined by the Commission to meet all requirements for participation established in the Education Code.

(b) If the maximum authorized allocation of awards is not exhausted after the priority deadline, the Commission may continue to accept applications and select program participants. The Commission may continue to make awards until the maximum authorized allocation is exhausted or through June 30<sup>th</sup> of the award year.

(c) The Commission will make awards to applicants who have met all requirements for participation in the program and who appear on an eligible institution's selection summary sheet. This number will not exceed the eligible institution's allocation. If the eligible institution was allocated additional awards, the Commission will make awards to applicants who have met all requirements for participation in the program and who appear on the eligible institution's reallocation list starting with the first person on the list. This number will not exceed the number of additional awards allocated.

(d) The Commission will make awards to credentialed teachers employed in public schools ranked in the lowest two deciles on the Academic Performance Index using the following priority criteria:

- (1) First priority shall be given to applicants who agree to obtain a teaching credential in mathematics, science, or special education;
- (2) Second priority will be given to applicants who have an outstanding balance on a federally subsidized student loan(s) or other need-based student loan(s);
- (3) Third priority will be given to applicants with the highest number of years teaching at a public school ranked in the lowest two deciles on the Academic Performance Index.

(4) In the case of a tie, the Commission will use the earliest received date of the completed application.

Note:

Authority cited: Section 69615, Education Code. Reference: Sections 69615.6 Education Code.

~~§ 30705. Federal Perkins Loan Program Loan Held by an Individual Eligible for Cancellation of That Loan.~~

~~A Federal Perkins Loan Program loan becomes non-assumable in its entirety upon the teacher's becoming eligible for cancellation of any part of that loan pursuant to the provisions of the Code of Federal Regulations, Title 34, Subtitle B, Chapter VI, Part 674, Subpart D, which is incorporated into this section by reference.~~

~~Note: Authority cited: Section 69615, Education Code. Reference: Sections 69613(b)(4) and 69613.4, Education Code.~~

#### Section 30706. Loan Assumption Agreements

(a) The Commission shall provide a loan assumption agreement to each nominated eligible applicant. The loan assumption agreement shall be effective when the program participant has received acknowledgement from the Commission of selection into the program.

(b) The loan assumption agreement shall include the following:

(1) For program participants who are enrolled in or admitted to an approved program the program participants agree to:

(A) maintain satisfactory academic progress;

(B) maintain at least a half-time enrollment each academic term at a participating institution;

(C) continue to satisfy the eligibility requirements in section 30702(a)(2)-(5);

(D) teach on a full-time basis in a subject area that is designated as a current or projected shortage area or at an eligible school for four consecutive school years or part-time basis for the equivalent of four consecutive full-time school years completing the first full year within thirty-six (36) months after obtaining an initial teaching credential;

(E) authorize the participating institution attended by the applicant, employers, and lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement;

(F) comply with all laws and regulations applicable to the program; and

(2) For program participants who are credentialed teachers in a public school ranked in the lowest two deciles on the Academic Performance Index at the time of application, the participant agrees to:

(A) continue to satisfy the eligibility requirements in sections 30702(a)(2) and (5);

- (B) authorize the participating institution attended by the applicant, employers, and lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement; and
- (C) comply with all laws and regulations applicable to the program.

(3) For program participants who are district interns, the participants agree to:

- (A) maintain satisfactory academic progress in an approved participating APLE for District Intern Program that provides a program of professional teacher preparation that has been approved by the Commission on Teacher Credentialing (CTC);
- (B) Complete training necessary to obtain an initial teaching credential (other than an emergency credential) that requires receipt of a baccalaureate degree and completion of a CTC approved program of professional teacher preparation and authorizes service for kindergarten through 12<sup>th</sup> grade.
- (C) continue to satisfy the eligibility requirements in section 30702(a)(2) and (4);
- (D) authorize the District Intern Program, employers, and lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement;
- (E) comply with all laws and regulations applicable to the program;

(4) For participants that sign a loan assumption agreement prior to January 1, 2009 the Commission shall agree that:

- (A) after the program participant has completed one school year of teaching on a full-time basis in a subject that was designated as a current or projected shortage area at the time of application or at an eligible school, the Commission shall assume, subject to the requirements of section 30707, up to two thousand dollars (\$2,000) of the outstanding liability of the participant under one or more of the designated loan programs;
- (B) after the program participant has completed two consecutive school years of teaching on a full-time basis in a subject that was designated as a current or projected shortage area at the time of application or at an eligible school, the Commission shall assume, subject to the terms of section 30707, up to an additional three thousand dollars (\$3,000) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to five thousand dollars (\$5,000);
- (C) after the program participant has completed three consecutive school years teaching on a full-time basis in a subject that is designated as a current or projected shortage area at the time of application or at an eligible school, the Commission shall assume, subject to the terms of section 30707, up to an additional three thousand dollars (\$3,000) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to eight thousand dollars (\$8,000);
- (D) after the program participant has completed four consecutive school years teaching on a full-time basis in a subject that is designated as a current or projected shortage area at the time of application or at an eligible school, the

Commission shall assume, subject to the terms of section 30707, up to an additional three thousand dollars (\$3,000) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to eleven thousand dollars (\$11,000).

(E) Additional benefits shall be granted to participants that hold the credential appropriate for teaching and who teach in mathematics, science, and special education as follows:

1. One thousand dollars (\$1,000) of additional liability per year shall be assumed for each eligible year of service up to a maximum of four years; and
2. One thousand dollars (\$1,000) of additional liability per year shall be assumed for persons who teach in schools in the lowest two deciles on the Academic Performance Index rating for each eligible year of service up to a maximum of four years.

(F) Loans obtained for coursework after the participant has received an initial teaching credential are not eligible for assumption under the APLE.

(5) For participants who sign a loan assumption agreement on or after January 1, 2009 the Commission shall agree that:

(A) after the program participant has completed one school year of teaching on a full-time basis, or the equivalent on a part-time basis in a subject that was designated as a current or projected shortage area at the time of application or at an eligible school, the Commission shall assume, subject to the requirements of section 30707, up to two thousand dollars (\$2,000) of the outstanding liability of the participant under one or more of the designated loan programs;

(B) after the program participant has completed two consecutive school years of teaching on a full-time basis, or the equivalent of two consecutive school years on a part-time basis in a subject that was designated as a current or projected shortage area at the time of application or at an eligible school, the Commission shall assume, subject to the terms of section 30707, up to an additional three thousand dollars (\$3,000) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to five thousand dollars (\$5,000);

(C) after the program participant has completed three consecutive school years teaching on a full-time basis, or the equivalent of three consecutive school years on a part-time basis in a subject that is designated as a current or projected shortage area at the time of application or at an eligible school, the Commission shall assume, subject to the terms of section 30707, up to an additional three thousand dollars (\$3,000) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to eight thousand dollars (\$8,000);

(D) after the program participant has completed four consecutive school years teaching on a full-time basis, or the equivalent of four consecutive school years on a part-time basis in a subject that is designated as a current or projected shortage area at the time of application or at an eligible school, the Commission



shall assume, subject to the terms of section 30707, up to an additional three thousand dollars (\$3,000) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to eleven thousand dollars (\$11,000);

(E) Additional benefits shall be granted to participants that hold the credential appropriate for teaching and who teaches in mathematics, science, and special education as follows :

1. One thousand dollars (\$1,000) of additional liability per year of full-time teaching or equivalent on a part-time basis shall be assumed for persons who teach in schools in the lowest 60<sup>th</sup> percentile of the Academic Performance Index rating up to a maximum of four years
2. One thousand dollars (\$1,000) of additional liability per year of full-time teaching or the equivalent on a part-time basis shall be assumed for persons who teach in schools in the lowest 20<sup>th</sup> percentile of the Academic Performance Index rating up to a maximum of four years

(F) Loans obtained for coursework after the participant has received an initial teaching credential are not eligible for assumption under the APLE.

(c) For section (b) the total expended in additional benefits will not exceed five million dollars.

(d) For credentialed teachers, service provided prior to the participant entering into the program will not count toward assumption benefits

(e) The term of the loan assumption agreement shall be no more than 10 years from the date of the Commission's acknowledgement of selection into the program.

(f) The loan assumption agreement shall constitute a conditional award that may be redeemed with the Commission as specified in section 30707. A participant in this program shall not receive more than one loan assumption agreement.

(g) The loan assumption agreement shall include the participant's certification that the individual understands:

- (1) The consequences of failing to comply with the loan assumption Agreement as specified in section 30708
- (2) The requirements to redeem the conditional award as specified in section 30707;
- (3) The individual must respond to all communications and requests from the Commission within ten business days;
- (4) The individual must report any change in status that may affect his or her APLE eligibility;
- (5) If it is determined that a loan assumption payment was authorized based on misleading or incorrect information, the participant will be required to reimburse the Commission; and
- (6) The individual must comply with all laws and regulations applicable to the program.

Note:

Authority cited: Section 69615, Education Code. Reference: Sections 69613.4, 69613.6, 69613.8 Education Code.

§ 30706. Payment.

~~(a) Each year, for each assumable loan, the teacher shall do all of the following with a form provided by the California Student Aid Commission:~~

~~(1) Obtain on the form a statement by the lender of the balance owed by the teacher as of June 30;~~

~~(2) Obtain on the form the written verification of that balance by the lender, and~~

~~(3) Return the form to the California Student Aid Commission.~~

Section 30707. Loan Payments

(a) A program participant may redeem the conditional agreement and the Commission shall make loan payments, pursuant to the loan assumption agreement and as provided in Section 30706 and subsection (c), when the Commission has received the following information on forms provided by the Commission for each qualifying year of teaching:

(1) documentation certifying that the program participant has received an initial credential from an eligible institution;

(2) the following employment information for each applicable year of employment subject to the loan assumption agreement:

(A) name and social security number;

(B) authorization for the Commission to change the teaching shortage area if the school does not qualify under the current designated shortage area;

(C) name, address, district, and county of the employer;

(D) the updated name, mailing address, city, state, zip code, email address and phone number, if applicable;

(E) authorization for the employer to release information needed to qualify participants for program benefits;

(F) verification the participant provided teaching service in an eligible school or in an area that was designated as a current or projected shortage area at the time of application; and

(G) program participant's signature under penalty of perjury under the laws of the State of California

(3) the following employment information from the participant's employer(s) for each applicable year of employment subject to the loan assumption agreement:

(A) statement that the program participant completed a school year of teaching on a full-time basis, or, if the participant is employed on a part-time basis, the percentage of employment as related to a full-time school year;

(B) verification if the participant provided service as a Special Education teacher and area of specialization, if applicable;

- (C) the grade level in which the participant provided the instruction;
- (D) the subject area the participant instructed for the fall and spring term if the participant will be employed by the school district for the upcoming school year;
- (E) employer representative's printed or typed name, telephone number, and date;
- (F) the name of school, school district, and school county; and
- (G) employer representative's signature under penalty of perjury under the laws of the State of California.

(4) the following information from each lending institution for each loan that qualifies for payment under the program and the loan assumption agreement:

- (A) program participant's name, social security number, phone number, date, and lending institution's contact information;
- (B) the participant's signature authorizing the lending institution official to complete and release information needed to qualify participant for program benefits;
- (C) account number for each loan;
- (D) loan type;
- (E) if the loan is a consolidated loan;
- (F) if the loan is subsidized or unsubsidized;
- (G) interest rate for each loan;
- (H) disbursement date for each loan;
- (I) payoff amount for each loan as of June 30;
- (J) indication for each loan whether the loan is in default;
- (K) lending institution/servicer name;
- (L) US Dept of Education lender or servicer ID number;
- (M) address for where payment is to be sent;
- (N) a signature of the lending institution official under penalty of perjury under the laws of the State of California
- (O) printed name of the lending institution official;
- (P) e-mail address of the lending institution official;
- (Q) telephone number of the lending institution official;

(5) the Commission has determined that the program participant has satisfied the requirements for payment to be made under the loan assumption agreement.

(b) Loan payments shall be made by lump-sum payment to the lender, to be applied directly to the principal balance, if not otherwise prohibited by applicable law or by the terms of the loan agreement between the program participant and the lender.

(1b) Each year, for each assumable loan, the California Student Aid Commission shall pay to the lender either the maximum assumable amount or the loan balance as of June 30, whichever is smaller, in the following order of priority based on the information received by the date the payment is processed:

(A4) All assumable loans guaranteed by the California Student Aid Commission, ranked in descending order by rate of interest (highest interest rate first, lowest last), and

(B2) All other assumable loans ranked in descending order by rate of interest (highest interest rate first, lowest last).

(2) A Federal Perkins Loan Program loan becomes non-assumable in its entirety upon the teacher's becoming eligible for cancellation of any part of that loan pursuant to the provisions of the Code of Federal Regulations, Title 34, Subtitle B, Chapter VI, Part 674, Subpart D, which is incorporated into this section by reference.

(c) Any credit generated on the participant's account due to a payment made by the Commission shall be returned to the Commission. The Commission will research if the participant has any other outstanding loans eligible for repayment and shall send the remaining balance of the payment due as a lump payment to the next eligible lender.

(1) If the participant's loans are paid in full after the June 30<sup>th</sup> balance census and before the Commission remits payment to the lender and the participant does not have any other loans eligible for repayment, the credit will be issued directly to the participant.

(d) The program participant shall continue to make payments as required under the terms of the loans to avoid defaulting on those loans, until notified by the lenders or loan servicers that the loans are paid in full.

(Note: Authority cited: Section 69615, Education Code. Reference: Sections 69613.2 69613(b)(4) and 69613.4, Education Code.)

Note: Authority cited: Section 69615, Education Code. Reference: Section 69613.4, Education Code.

~~§ 30707. Achieving the Required Minimum Number of Warrants to be Issued to Applicants Who Agree to Obtain a Teaching Credential in Mathematics Or Science.~~

~~(a) When distributing applications to participating institutions, the California Student Aid Commission shall notify each institution of the minimum number of awards which must be made to applicants who agree to obtain a teaching credential in mathematics or science, within the group of awards made to applicants who agree to obtain a teaching credential in subject areas that are designated as current or projected shortage areas by the Superintendent of Public Instruction.~~

~~(b) Each participating institution, upon receiving notice from the California Student Aid Commission, shall make at least the minimum number of awards to applicants who agree to obtain a teaching credential in mathematics or science, within the group of awards made to applicants who agree to obtain a teaching credential in subject areas that are designated as current or projected shortage areas by the Superintendent of Public Instruction.~~

~~—Note: Authority cited: Section 69615, Education Code. Reference: Sections 69613(d), 69613.55 (Stats. 1998, c. 330 (S.B. 1564).) and 69614(a), Education Code.~~

#### ~~§ 30708. Out-of-State Teacher Recruitment Warrants.~~

~~(a) Each year the California Student Aid Commission shall allocate warrants to each county, for the purpose of recruiting out-of-state teachers, using the following formula:~~

~~(1) Each county shall get one warrant from those warrants authorized for out-of-state recruitment, and~~

~~(2) From the remaining warrants authorized for out-of-state recruitment, each county shall get that number of warrants which bears the same ratio to the total number of such warrants as the number of teachers in that county who received either One Year Non-Renewable Credentials or Two Year Preliminary Credentials during the previous year bears to the total number of One Year Non-Renewable Credentials and Two Year Preliminary Credentials issued during the previous year.~~

~~(b) Each year the California Student Aid Commission shall notify each County Office of Education of the number of warrants allocated to that county that year.~~

~~(c) Each year each County Office of Education shall:~~

~~(1) Solicit, from every School District in that county, nominations of individuals to receive warrants;~~

~~(2) From those nominated by the School Districts select individuals to receive warrants on the basis of criteria that may include, but need not be limited to, any of the following:~~

~~(A) Grade point average,~~

~~(B) Test scores,~~

~~(C) Faculty evaluations,~~

~~(D) Interviews, and~~

~~(E) Other recommendations; and~~

~~(3) Forward to the California Student Aid Commission the names of the selected individuals.~~

~~(d) Upon receipt from a County Office of Education of names of selected individuals, the California Student Aid Commission shall issue a warrant to each selected individual provided that:~~

~~(1) The individual does not currently live in California and is not currently employed as a teacher in California,~~

~~(2) The individual has received one or more loans in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any other loan program described in Section 30701 above,~~

~~(3) The individual has agreed to teach in a public school in California for at least four consecutive academic years, and~~

~~(4) The individual has not previously received a warrant.~~

~~—Note: Authority cited: Sections 69613.5(b) and 69615, Education Code. Reference: Section 69613.5(a), Education Code.~~

#### Section 30708. Failure to Comply with the Loan Assumption Agreement

(a) For participants that sign loan assumption agreement prior to January 1, 2009 the following applies:

(1) Except as otherwise specified in subsection (2)-(4), a program participant who fails to meet the requirements for payment pursuant to the terms of the loan assumption agreement, including: failure to maintain half-time enrollment or satisfactory academic progress while attending a participating institution, or failure to complete a minimum of four consecutive school years of teaching in a subject area that was designated as a current or projected shortage at the time of application or at an eligible school on a full-time basis will not qualify for loan payment. The loan assumption agreement shall be deemed terminated, and the Commission shall not make any further payments. The participant shall retain responsibility to continue to make any payments required for any remaining loan obligations under the terms of any outstanding loans to avoid defaulting on those loans but shall not be required to repay any loan payments previously made through the program.

(2) If a program participant is unable to complete one of the four consecutive school years of teaching in a subject area that is designated as a current or projected shortage area at the time of application or at an eligible school on a full-time basis, due to serious illness, pregnancy, or other natural causes, the participant shall submit a written request for a leave of absence and upon Commission approval, shall be excused from this requirement for a period not to exceed one year. The Commission shall make no further

payments under the loan assumption agreement until the applicable teaching requirements specified have been satisfied. The program participant shall retain responsibility to continue to fulfill any obligation required under the terms of any outstanding loans to avoid defaulting on those loans.

(3) If a program participant is unable to teach the first full year in an eligible area within 36 months of obtaining a teaching credential, due to serious illness, pregnancy, or other natural causes, the participant shall submit a written request for a leave of absence and upon Commission approval, shall be excused from this requirement for a period not to exceed one year unless approved by the Commission for a longer period of time. The Commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified have been satisfied. The program participant shall retain responsibility to continue to fulfill any obligation required under the terms of any outstanding loans to avoid defaulting on those loans.

(4) If a program participant is unable to teach the first full year in at an eligible area within 36 months of obtaining teaching credential due to being laid off, reassigned, or other reason beyond the control of the participant, the participant shall be excused from this requirement for a period not to exceed one calendar year unless approved by the Commission for a longer period of time. The Commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified have been satisfied. The program participant shall retain responsibility to continue to fulfill any obligation required under the terms of any outstanding loans to avoid defaulting on those loans.

(b) For participants that sign a loan assumption agreement after January 1, 2009 the following applies:

(1) Except as otherwise specified in subsections (2) and (3), a program participant who fails to meet the requirements for payment pursuant to the terms of the loan assumption agreement, including failure to maintain half-time enrollment or satisfactory academic progress while attending a participating institution, failure to teach the first full year in at an eligible area within 36 months of obtaining a teaching credential, or failure to complete a minimum of four consecutive school years of teaching in a subject area that was designated as a current or projected shortage area at the time of application or at an eligible school on a full-time basis, or the equivalent on a part-time basis will not qualify for loan payment. The loan assumption agreement shall be deemed terminated, and the Commission shall not make any further payments. The participant shall retain responsibility to continue to fulfill any obligation required for any remaining loan obligations under the terms of any outstanding loans to avoid defaulting on those loans but shall not be required to repay any loan payments previously made through the program.

(2) If a program participant is unable to maintain half-time enrollment, teach the first full year in an eligible area within 36 months of obtaining teaching credential, or complete one of the four consecutive school years of teaching in a subject area that is designated as a current or projected shortage area at the time of application or at an eligible school

on a full-time basis, or the equivalent on a part-time basis due to serious illness, pregnancy, other natural causes, or is called to active military duty status, the participant shall submit a written request for a leave of absence and upon Commission approval, shall be excused from this requirement for a period not to exceed one calendar year, unless approved by the Commission for a longer period of time. The Commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified have been satisfied. The program participant shall retain responsibility to continue to fulfill any obligation required under the terms of any outstanding loans to avoid defaulting on those loans.

(3) If a program participant is unable to teach the first full year in at an eligible area within 36 months of obtaining teaching credential or complete one of the four consecutive school years of teaching in a subject area that is designated as a current or projected shortage area at the time of application or at an eligible school on a full-time basis, or the equivalent on a part-time basis due to being laid off, reassigned, or other reason beyond the control of the participant, the participant shall be excused from this requirement for a period not to exceed one calendar year, unless approved by the Commission for a longer period of time. The Commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified have been satisfied. The program participant shall retain responsibility to continue to fulfill any obligation required under the terms of any outstanding loans to avoid defaulting on those loans.

Note:

Authority cited: Section 69615, Education Code. Reference: Sections 69613 and 69613.6 Education Code.

~~§ 30709. Reallocation of Unused Out-of-State Teacher Recruitment Warrants and Cancellation of Invalid Out-of-State Teacher Recruitment Warrants.~~

~~(a) In this section, an "unused warrant" is an out-of-state teacher recruitment warrant allocated to a county which that county does not or cannot use.~~

~~(b) In this section, an "invalid warrant" is an out-of-state teacher recruitment warrant held by an individual who did not complete a full year of eligible teaching service by the end of the school year in which the warrant was issued.~~

~~(c) Each county which uses all of its allocated out-of-state teacher recruitment warrants shall provide to the California Student Aid Commission, in writing, a number representing the number of additional such warrants it could use if additional warrants were available.~~

~~(d) During the school year for which the warrants were allocated, the California Student Aid Commission shall reallocate all unused warrants to counties, giving to each county a number of warrants which bears the same ratio to the total number of~~



~~unused warrants as the number of warrants which that county could use if additional warrants were available bears to the total number of warrants which all counties could use if additional warrants were available.~~

~~(e) All invalid warrants shall be cancelled. No invalid warrant shall be reallocated.~~

~~Note: Authority cited: Sections 69613.5(b) and 69615, Education Code. Reference: Section 69613.5(a), Education Code.~~

#### Section 30709. Development of Projections for Funding Purposes

The Commission shall use the percentage of prior year teachers credentialed and paid to determine projected loan assumption payments.

Note:

Authority cited: Section 69615, Education Code. Reference: Section 69615, Education Code.